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RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte HIDEAKI YAMANAKA,
TERUHIKO MORIYAMA, and
KATSUAKI KIKUCHI

Appeal 2009-006239
Application 09/729,866
Technology Center 3600

Oral Hearing Held: October 20, 2009

Before MURRIEL CRAWFORD, JOSEPH A. FISCHETTI, and BIBHU R. MOHANTY, *Administrative Patent Judges*

ON BEHALF OF THE APPELLANT:

SURINDER SACHAR, ESQUIRE
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The above-entitled matter came on for hearing on Tuesday, October 20, 2009, commencing at 9:49 a.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Christine L. Loeser, Notary Public.

PROCEEDINGS

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JUDGE CRAWFORD: Good morning. You can begin whenever you are ready.

MR. SACHAR : Thank you, Your Honors. This case is directed to a digital content billing system in which a holder has digital contents that a user may want to download and execute. Also, an advertiser may have an advertisement that they want to put in front of the user.

In our system, when a user requests to download in digital content, an advertisement is attached and also downloaded with that digital content.

In this case, an advertisement fee is collected from the advertiser, based on the number of times that a user executes the digital content. So there's a counting procedure of the number of times a user executes a digital content.

Based on that count, the advertiser will be charged an advertisement rate. That advertisement rate can then be collected and provided appropriately to the holder of the digital content.

That's the most important aspect with respect to the prior art rejection is, in our device, the advertisement rate is collected based on the number of times of execution of the digital content.

The error in the rejection is neither of the applied art discloses or suggests that specific feature.

The primary reference is a U.S. publication to Amari which discloses a digital content, a provider and a user who can download the digital content. As was recognized in the rejection, there is no disclosure of providing an advertisement with that digital content when provided to the user.

The secondary reference, the European publication to Nagano discloses providing an advertisement, for example, with a web page. In Nagano, an accounting is made for the number of times that the advertisement is clicked on by the user.

Based on that accounting, an advertisement rate will be collected from the advertiser. So in a distinction with our invention, in our invention, we count the number of times the user executes the digital content that the user desires. We don't count the number of times the advertisement is clicked on or anything to that effect.

Nagano counts the number of times an advertisement is clicked on. It is somewhat irrelevant to how many times the digital content is executed. That's the distinction that we see between our invention and what is happening in the applied art.

In the Examiner's Answer, the Examiner does attempt to take the interpretation that the advertisement in Nagano is a form of digital content. It isn't in digital form. It is downloaded through a network.

The problem, the error in that interpretation is our claims clearly draw a distinction between digital content and an advertisement. Both of those pieces of information are downloaded to a user.

If you viewed the advertisement in Nagano as digital content, the combination of references would essentially have two pieces of digital content and no advertisement that is being downloaded and there wouldn't be an account.

Another point is, in our claim, we specifically recite the digital content as being set to become usable by an execution key. Clearly, the

advertisement in Nagano isn't that type of digital content that would become usable by an execution key.

So there is no combination that would lead to the claim feature in which we count the number of times the user executes a digital content and we charge an advertiser based on that counted number.

JUDGE FISCHETTI: I have a question with regard to Amari. Doesn't Amari disclose charging for content by use?

MR. SACHAR : Yes. In our device --

JUDGE FISCHETTI: It does, so you have a teaching of billing for content.

MR. SACHAR : Yes.

JUDGE FISCHETTI: So if you add advertising to that, and there's a one-to-one correspondence between when content is retrieved and advertising presented. Then would not that obviously be a conclusion that would lead someone to say then the advertisement revenue would be tagged along or ad become appurtenant to the content revenue stream as well?

MR. SACHAR : One of the aspects in our invention is the advertiser is billed. The user of the digital content is not billed. In Amari, I believe the user of the digital content is billed.

If I'm a user and I download a movie, a game, I will be billed in the system of Amari. In our device, the advertiser is billed. The user is never billed.

In our device, so what we are doing is we are counting the number of times the digital content is executed but then we are now billing them based on an advertisement rate to the advertiser.

So in other words, if you were to combine just to combine the teachings of

Nagano to Amari, you would add an advertisement but that wouldn't change the billing structure.

In our device, the advertiser is going to be billed based on the number of times the digital content is executed.

JUDGE FISCHETTI: Wouldn't that be a predictable result, though, that to have a third party pay for what otherwise would be paid for by the content user?

MR. SACHAR : There's certainly nothing in the art that would suggest that. I would suggest that if you combine the teachings of Nagano to Amari, based on what those references teach, that would suggest that you could provide an advertisement with the content as in Amari.

The user would still be billed, based on the downloading of the content, and there would be an extra revenue stream that would go to another party. That is really --

JUDGE CRAWFORD: Where in your claim do you exclude the user being billed?

MR. SACHAR : What our claim says -- our claim says collecting an advertising rate from the advertiser that corresponds to the number of times an execution of the digital content is used by the user. I am citing, for example, the last paragraph --

JUDGE CRAWFORD: Sure. But where does it say that you -- where does it say you don't bill the user?

MR. SACHAR : The claim doesn't expressly say we don't bill the user but when you combine the art the way it is cited, there is no disclosure that would disclose collecting an advertisement rate based on the number of times the user executes the digital content.

Even under this example of combining, if Nagano -- Nagano discloses providing an advertisement and collecting a rate from an advertiser, based on the number of times the advertisement is clicked on.

JUDGE FISCHETTI: We already established there is a one-to-one correspondence between advertising and when the content is retrieved. So we could be assured that there is the corresponding revenue from the advertising once the content is retrieved.

MR. SACHAR : The objective of the device of Nagano is to insure effective placement of ads and to make sure an advertiser is not overcharged. The objective of the placement of Nagano is to keep track of how many times an advertisement is clicked on so that there's a fair correspondence to how much the advertiser is paying for the revenue.

So the critical aspect of Nagano is to know how many times the advertisement is clicked on and that's what the advertiser is billed on.

JUDGE CRAWFORD: Wouldn't a person of ordinary skill in the art know that there would be two different ways you could bill? You could bill based on the content and viewing the advertisement. That's the first way.

The second way would be billing based on clicking. So which way you do would just be up to the person and what they wanted to achieve.

MR. SACHAR : I don't think there's anything in any of these references that even address those. The primary reference to Amari discloses the user paying. The secondary reference discloses -- to Nagano

discloses I want to make sure the advertisers are getting fairly billed, based on how effective their ads are so we are going to keep track of how often the advertisement is clicked on and we are going to charge the advertiser based on that.

I think the combination is, from what the references teach, would be fairly simple but neither of them would -- but such combinations wouldn't address collecting from the advertiser based on how many times the digital content is utilized, given what the references themselves teach.

JUDGE CRAWFORD: Questions?

JUDGE FISCHETTI: I have asked everything I needed. Thank you.

JUDGE CRAWFORD: Questions?

JUDGE MOHANTY: No questions.

JUDGE CRAWFORD: Thank you.

MR. SACHAR : Thank you very much for your time.

(Whereupon, the proceedings, at 10:00 a.m., were concluded.)